

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF FRIENDLY UTILITIES,)	
INC., D/B/A FRIENDLY HILLS EAST SEWER)	
SYSTEM FOR A RATE ADJUSTMENT PURSUANT)	CASE NO. 9129
TO THE ALTERNATIVE RATE FILING)	
PROCEDURE FOR SMALL UTILITIES)	

O R D E R

On February 25, 1987, Friendly Utilities ("Friendly") filed a petition for a modification of the Commission's Order of February 12, 1987. That Order requires the Metropolitan Sewer District of Louisville and Jefferson County ("MSD") to refund \$8,709 held by it in escrow to the former customers of Friendly. Friendly asserts that it should have the option to make the refund at its expense rather than at MSD's.

A response in opposition to the petition was filed by the intervenor, Friendly Hills East Neighborhood Association, on March 5.

After reviewing the record, the Commission finds that Friendly was given an opportunity to present any refund plan it desired and to present any support for that plan. A hearing was held on January 21, 1987. A representative of Friendly appeared without counsel, and explained why the refund plan previously rejected by the Commission should be accepted. No new evidence was presented. However, during that hearing, the issue of MSD's role in making the refund was discussed. Friendly did not object

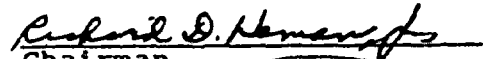
to the possibility of MSD refunding the money, nor did it offer the alternative suggested in its petition.


For these reasons, the Commission finds that Friendly has failed to provide any evidence it could not have previously presented, and that its petition should be denied.

IT IS THEREFORE ORDERED that Friendly's petition is denied.

Done at Frankfort, Kentucky, this 13th day of March, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director